



Economic and Revenue Forecast Council

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Final March 2011 Economic Forecast Released

We have updated the preliminary March economic forecast, which was released on February 24, 2011. The new forecast reflects a more recent national forecast and more up-to-date state employment data. This updated economic forecast is consistent with the March 2011 revenue forecast released today, March 17, 2011.

The following tables compare the updated economic forecast with the preliminary forecast released on February 24th as well as with the forecast adopted in November, 2010

For more information, please see the November 18th revenue forecast presentation at:
<http://www.erfc.wa.gov/forecast/documents/rev20110317color.pdf> (Color, best for viewing)
<http://www.erfc.wa.gov/forecast/documents/rev20110317bw.pdf> (Grayscale, best for printing)

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About the ERFC:

The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.

U.S. Forecast Comparison

	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2009	2010	2011	2012	2013
Real GDP (2005 USD billions)											
March Forecast, Final	13,370	13,482	13,595	13,710	13,825	13,931	12,881	13,246	13,653	14,098	14,549
Percent Change	2.8%	3.4%	3.4%	3.4%	3.4%	3.1%	-2.6%	2.8%	3.1%	3.3%	3.2%
March Forecast, Preliminary	13,383	13,498	13,611	13,729	13,848	13,954	12,881	13,249	13,672	14,121	14,545
Percent Change	3.2%	3.5%	3.4%	3.5%	3.5%	3.1%	-2.6%	2.9%	3.2%	3.3%	3.0%
Real Consumption (2005 USD billions)											
March Forecast, Final	9,426	9,488	9,551	9,630	9,697	9,748	9,154	9,314	9,591	9,837	10,081
Percent Change	4.1%	2.7%	2.7%	3.4%	2.8%	2.1%	-1.2%	1.8%	3.0%	2.6%	2.5%
March Forecast, Preliminary	9,431	9,490	9,573	9,659	9,730	9,778	9,154	9,316	9,613	9,861	10,077
Percent Change	4.4%	2.5%	3.6%	3.6%	3.0%	2.0%	-1.2%	1.8%	3.2%	2.6%	2.2%
Implicit Price Deflator, PCE (2005=1.00)											
March Forecast, Final	1.116	1.125	1.134	1.140	1.145	1.150	1.093	1.111	1.136	1.157	1.177
Percent Change	1.8%	3.3%	3.0%	2.3%	1.7%	1.8%	0.2%	1.7%	2.2%	1.9%	1.7%
March Forecast, Preliminary	1.116	1.125	1.129	1.133	1.137	1.142	1.093	1.111	1.131	1.148	1.166
Percent Change	1.8%	3.1%	1.5%	1.5%	1.5%	1.7%	0.2%	1.7%	1.8%	1.5%	1.6%
Real Personal Income (2005 USD billions)											
March Forecast, Final	11,393	11,516	11,578	11,660	11,731	11,716	11,144	11,289	11,621	11,871	12,265
Percent Change	2.0%	4.4%	2.2%	2.9%	2.4%	-0.5%	-1.9%	1.3%	2.9%	2.1%	3.3%
March Forecast, Preliminary	11,399	11,538	11,632	11,724	11,789	11,769	11,144	11,289	11,671	11,922	12,297
Percent Change	2.3%	5.0%	3.3%	3.2%	2.3%	-0.7%	-1.9%	1.3%	3.4%	2.2%	3.1%
Nonfarm Payroll Employment (Millions)											
March Forecast, Final	130.1	130.5	131.0	131.6	132.3	133.1	130.8	129.8	131.4	134.2	137.2
Percent Change	0.8%	1.2%	1.6%	1.8%	1.9%	2.5%	-4.4%	-0.7%	1.2%	2.1%	2.2%
March Forecast, Preliminary	130.1	130.4	131.1	131.7	132.4	133.2	130.8	129.8	131.4	134.3	137.1
Percent Change	0.7%	0.9%	1.9%	2.0%	2.2%	2.4%	-4.4%	-0.7%	1.2%	2.2%	2.1%
Unemployment Rate (Percent of Labor Force)											
March Forecast, Final	9.6	8.8	8.7	8.4	8.2	8.0	9.3	9.6	8.5	7.7	6.8
March Forecast, Preliminary	9.6	9.0	8.9	8.7	8.4	8.2	9.3	9.6	8.7	7.9	7.1
30 Year Fixed Mortgage Rate (Percent, average)											
March Forecast, Final	4.4	4.9	5.0	5.1	5.2	5.2	5.0	4.7	5.0	5.4	6.1
March Forecast, Preliminary	4.4	4.9	5.0	5.0	5.0	5.1	5.0	4.7	5.0	5.2	6.3
3 Month T-Bill Rate (Percent, average)											
March Forecast, Final	0.1	0.2	0.2	0.3	0.4	0.6	0.2	0.1	0.3	1.5	3.4
March Forecast, Preliminary	0.1	0.2	0.2	0.3	0.4	0.6	0.2	0.1	0.3	1.5	3.4

U.S. Forecast Comparison

	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2009	2010	2011	2012	2013
Real GDP (2005 USD billions)											
March Forecast, Final	13,370	13,482	13,595	13,710	13,825	13,931	12,881	13,246	13,653	14,098	14,549
Percent Change	2.8%	3.4%	3.4%	3.4%	3.4%	3.1%	-2.6%	2.8%	3.1%	3.3%	3.2%
November Forecast	13,333	13,412	13,502	13,602	13,713	13,817	12,881	13,232	13,557	13,991	14,411
Percent Change	2.2%	2.4%	2.7%	3.0%	3.3%	3.1%	-2.6%	2.7%	2.5%	3.2%	3.0%
Real Consumption (2005 USD billions)											
March Forecast, Final	9,426	9,488	9,551	9,630	9,697	9,748	9,154	9,314	9,591	9,837	10,081
Percent Change	4.1%	2.7%	2.7%	3.4%	2.8%	2.1%	-1.2%	1.8%	3.0%	2.6%	2.5%
November Forecast	9,388	9,439	9,495	9,556	9,622	9,663	9,154	9,306	9,528	9,745	9,959
Percent Change	2.3%	2.2%	2.4%	2.6%	2.8%	1.7%	-1.2%	1.7%	2.4%	2.3%	2.2%
Implicit Price Deflator, PCE (2005=1.00)											
March Forecast, Final	1.116	1.125	1.134	1.140	1.145	1.150	1.093	1.111	1.136	1.157	1.177
Percent Change	1.8%	3.3%	3.0%	2.3%	1.7%	1.8%	0.2%	1.7%	2.2%	1.9%	1.7%
November Forecast	1.118	1.124	1.127	1.131	1.135	1.140	1.093	1.112	1.129	1.147	1.167
Percent Change	2.5%	2.0%	1.2%	1.3%	1.6%	1.7%	0.2%	1.8%	1.6%	1.5%	1.7%
Real Personal Income (2005 USD billions)											
March Forecast, Final	11,393	11,516	11,578	11,660	11,731	11,716	11,144	11,289	11,621	11,871	12,265
Percent Change	2.0%	4.4%	2.2%	2.9%	2.4%	-0.5%	-1.9%	1.3%	2.9%	2.1%	3.3%
November Forecast	11,305	11,340	11,397	11,465	11,539	11,610	11,144	11,242	11,435	11,752	12,105
Percent Change	0.9%	1.3%	2.0%	2.4%	2.6%	2.5%	-1.9%	0.9%	1.7%	2.8%	3.0%
Nonfarm Payroll Employment (Millions)											
March Forecast, Final	130.1	130.5	131.0	131.6	132.3	133.1	130.8	129.8	131.4	134.2	137.2
Percent Change	0.8%	1.2%	1.6%	1.8%	1.9%	2.5%	-4.4%	-0.7%	1.2%	2.1%	2.2%
November Forecast	130.5	130.8	131.3	131.9	132.6	133.2	130.9	130.2	131.7	134.4	137.1
Percent Change	0.6%	1.0%	1.5%	1.6%	2.0%	2.1%	-4.3%	-0.5%	1.1%	2.1%	2.1%
Unemployment Rate (Percent of Labor Force)											
March Forecast, Final	9.6	8.8	8.7	8.4	8.2	8.0	9.3	9.6	8.5	7.7	6.8
November Forecast	9.7	9.6	9.4	9.2	8.9	8.7	9.3	9.7	9.3	8.3	7.2
30 Year Fixed Mortgage Rate (Percent, average)											
March Forecast, Final	4.4	4.9	5.0	5.1	5.2	5.2	5.0	4.7	5.0	5.4	6.1
November Forecast	4.3	4.2	4.2	4.3	4.5	4.8	5.0	4.7	4.3	5.0	6.1
3 Month T-Bill Rate (Percent, average)											
March Forecast, Final	0.1	0.2	0.2	0.3	0.4	0.6	0.2	0.1	0.3	1.5	3.4
November Forecast	0.1	0.2	0.2	0.3	0.4	0.6	0.2	0.1	0.3	1.5	3.4

Washington Forecast Comparison

	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2009	2010	2011	2012	2013
Real Personal Income (2005 USD billions)											
March Forecast, Final	267.0	269.4	270.7	274.3	275.1	275.7	261.9	264.1	272.4	280.1	291.3
Percent Change	1.8%	3.6%	1.9%	5.4%	1.3%	0.8%	-0.5%	0.9%	3.1%	2.8%	4.0%
March Forecast, Preliminary	267.0	269.9	271.9	275.7	276.5	276.9	261.9	264.1	273.5	281.4	292.3
Percent Change	2.0%	4.4%	3.0%	5.6%	1.1%	0.7%	-0.5%	0.8%	3.6%	2.9%	3.9%
Personal Income (USD billions)											
March Forecast, Final	298.0	303.1	306.9	312.7	315.0	317.0	286.1	293.5	309.4	324.0	342.7
Percent Change	3.7%	7.0%	5.0%	7.8%	3.0%	2.6%	-0.4%	2.6%	5.4%	4.7%	5.8%
March Forecast, Preliminary	298.0	303.5	306.9	312.3	314.4	316.2	286.1	293.5	309.3	323.1	340.9
Percent Change	3.9%	7.6%	4.5%	7.2%	2.6%	2.3%	-0.4%	2.6%	5.4%	4.5%	5.5%
Nonfarm Payroll Employment (Thousands)											
March Forecast, Final	2779	2786	2800	2815	2832	2853	2822	2777	2808	2882	2957
Percent Change	0.3%	1.0%	2.0%	2.1%	2.5%	2.9%	-4.6%	-1.6%	1.1%	2.6%	2.6%
March Forecast, Preliminary	2779	2787	2802	2819	2838	2859	2822	2777	2811	2889	2964
Percent Change	0.2%	1.0%	2.3%	2.3%	2.8%	2.9%	-4.6%	-1.6%	1.2%	2.8%	2.6%
Unemployment Rate (Percent of Labor Force)											
March Forecast, Final	9.3	9.2	9.1	8.9	8.7	8.4	9.3	9.6	9.0	8.1	7.3
March Forecast, Preliminary	9.2	9.3	9.1	8.9	8.7	8.4	8.9	9.2	9.0	8.1	7.3
Manufacturing Employment (Thousands)											
March Forecast, Final	259.3	261.9	265.7	269.3	272.6	276.3	265.5	258.0	267.4	281.4	294.1
Percent Change	1.4%	4.1%	6.0%	5.5%	4.9%	5.6%	-8.8%	-2.8%	3.6%	5.2%	4.5%
March Forecast, Preliminary	259.3	262.0	264.6	267.3	270.3	273.6	265.5	258.0	266.1	277.9	288.5
Percent Change	1.6%	4.2%	4.0%	4.1%	4.7%	5.0%	-8.8%	-2.8%	3.1%	4.5%	3.8%
Construction Employment (Thousands)											
March Forecast, Final	138.7	136.7	136.3	136.0	136.5	137.9	159.7	140.9	136.4	141.2	151.0
Percent Change	-6.6%	-5.9%	-0.9%	-1.0%	1.6%	4.0%	-20.4%	-11.8%	-3.2%	3.6%	6.9%
March Forecast, Preliminary	138.6	137.3	137.0	137.2	138.6	140.7	159.7	140.9	137.6	145.4	158.3
Percent Change	-6.5%	-3.6%	-0.8%	0.6%	4.1%	6.2%	-20.4%	-11.8%	-2.4%	5.7%	8.9%
Housing Permits (Thousands)											
March Forecast, Final	22.1	19.6	20.7	21.1	22.3	24.3	17.0	20.2	20.9	27.9	35.6
Percent Change	58.6%	-38.1%	24.8%	7.7%	24.7%	40.9%	-41.2%	19.0%	3.4%	33.2%	27.7%
March Forecast, Preliminary	22.1	19.9	22.1	23.6	26.1	29.0	17.0	20.2	22.9	33.5	41.8
Percent Change	58.6%	-33.8%	51.6%	30.0%	48.2%	52.9%	-41.2%	19.0%	13.3%	46.2%	24.6%

Washington Forecast Comparison

	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2009	2010	2011	2012	2013
Real Personal Income (2005 USD billions)											
March Forecast, Final	267.0	269.4	270.7	274.3	275.1	275.7	261.9	264.1	272.4	280.1	291.3
Percent Change	1.8%	3.6%	1.9%	5.4%	1.3%	0.8%	-0.5%	0.9%	3.1%	2.8%	4.0%
November Forecast	264.3	265.5	266.9	270.0	271.0	273.6	261.9	262.9	268.4	277.7	288.4
Percent Change	0.5%	1.9%	2.1%	4.8%	1.4%	3.8%	-0.5%	0.4%	2.1%	3.5%	3.8%
Personal Income (USD billions)											
March Forecast, Final	298.0	303.1	306.9	312.7	315.0	317.0	286.1	293.5	309.4	324.0	342.7
Percent Change	3.7%	7.0%	5.0%	7.8%	3.0%	2.6%	-0.4%	2.6%	5.4%	4.7%	5.8%
November Forecast	295.6	298.4	300.9	305.4	307.7	311.9	286.1	292.4	303.1	318.6	336.5
Percent Change	3.0%	3.9%	3.4%	6.2%	3.0%	5.5%	-0.4%	2.2%	3.7%	5.1%	5.6%
Nonfarm Payroll Employment (Thousands)											
March Forecast, Final	2779	2786	2800	2815	2832	2853	2822	2777	2808	2882	2957
Percent Change	0.3%	1.0%	2.0%	2.1%	2.5%	2.9%	-4.6%	-1.6%	1.1%	2.6%	2.6%
November Forecast	2786	2795	2809	2825	2844	2863	2827	2784	2818	2894	2972
Percent Change	0.4%	1.4%	2.0%	2.3%	2.6%	2.7%	-4.5%	-1.5%	1.2%	2.7%	2.7%
Unemployment Rate (Percent of Labor Force)											
March Forecast, Final	9.3	9.2	9.1	8.9	8.7	8.4	9.3	9.6	9.0	8.1	7.3
November Forecast	9.1	9.1	9.0	8.9	8.7	8.4	8.9	9.2	8.9	8.0	6.9
Manufacturing Employment (Thousands)											
March Forecast, Final	259.3	261.9	265.7	269.3	272.6	276.3	265.5	258.0	267.4	281.4	294.1
Percent Change	1.4%	4.1%	6.0%	5.5%	4.9%	5.6%	-8.8%	-2.8%	3.6%	5.2%	4.5%
November Forecast	257.9	259.2	261.6	265.4	269.1	272.1	265.9	257.6	263.8	277.1	288.9
Percent Change	0.6%	2.0%	3.7%	6.0%	5.6%	4.7%	-8.7%	-3.1%	2.4%	5.0%	4.3%
Construction Employment (Thousands)											
March Forecast, Final	138.7	136.7	136.3	136.0	136.5	137.9	159.7	140.9	136.4	141.2	151.0
Percent Change	-6.6%	-5.9%	-0.9%	-1.0%	1.6%	4.0%	-20.4%	-11.8%	-3.2%	3.6%	6.9%
November Forecast	139.3	139.0	138.9	139.5	141.1	143.0	160.7	141.6	139.6	148.0	159.9
Percent Change	-3.7%	-0.8%	-0.4%	1.9%	4.4%	5.6%	-19.9%	-11.9%	-1.4%	6.0%	8.0%
Housing Permits (Thousands)											
March Forecast, Final	22.1	19.6	20.7	21.1	22.3	24.3	17.0	20.2	20.9	27.9	35.6
Percent Change	58.6%	-38.1%	24.8%	7.7%	24.7%	40.9%	-41.2%	19.0%	3.4%	33.2%	27.7%
November Forecast	16.1	17.9	20.4	23.2	26.3	30.2	17.0	18.5	22.0	34.4	41.6
Percent Change	-53.1%	52.9%	68.1%	66.2%	65.2%	74.0%	-41.2%	8.8%	18.6%	56.7%	20.9%